

November 14, 2012

Marlene H. Dortch,
Secretary
Federal Communications Commission
445 12th St., SW
Washington, DC 20554

Re: Comment on VRS Equipment & Rates (DA 12-1644) – Filed electronically via ECFS in 03-123 & 10-51.

Dear Marlene H. Dortch,

I am Todd Elliott and I am a VRS consumer. Thank you for giving me the opportunity to comment further on reforming the VRS market. Previously, I have commented on this VRS reform NOI/NPRM. I invite you to read some of my comments regarding VRS reform.¹

VRS Access Technology

My suggestion is for the VRS industry to leverage existing market forces in securing access technology needs of Deaf consumers. As CSDVRS noted in their July 10th, 2012 PP presentation, the mainstream video telephony market is transitioning to software-based solutions in lieu of dedicated hardware. These market forces governing the direction of the video telephony market is huge, easily dwarfing the size of the market utilized by Deaf consumers using ASL. Going against the grain of mainstream market forces will only introduce inefficiencies, friction, and costs in the sub-market.

However, there is one key component essential to VRS access technology that is unlikely to be met by free market participants; visual signaling systems, i.e., ring flashers. I have seen visual strobe signalers hooked up to laptops and tablets via the headphone jack, for example. Smartphones with a VRS app should have tactile feedback (vibrating alert) to alert the user of an incoming VRS call.

¹ http://apps.fcc.gov/ecfs/comment_search/execute?proceeding=10-51&applicant=Todd+Elliott (17 comments at time of this filing.)

I support that VRS providers be allowed to furnish dedicated videophone hardware solutions to their VRS consumers, as they will likely have integrated critical components (i.e., optimized video quality, visual ring signalers, camera control) needed for enjoyment of VRS and VP services. I stress that VRS providers be allowed to distribute dedicated VP units, not **proprietary** VP units. As a consumer I enjoy the use of dedicated VP units in conjunction with software-based applications on my mobile phone.

As CSDVRS pointed out in their July 10th, 2012 PP presentation, the dedicated videophone market has essentially reached ‘end-of-life’ status among various hardware vendors. If one VRS provider continues to provide proprietary dedicated videophone offerings to their consumers, how will other VRS providers compete if they are unable to secure dedicated videophone offerings on their own? What happens to the VRS market if dedicated videophones are no longer available for purchase and use by VRS providers and consumers alike?

VRS providers should be allowed to develop dedicated videophone offerings for their VRS consumers, but they cannot be proprietary. They have to make these units available on the open market for outright purchase by competing VRS providers and consumers at market rates. This way, even if the mainstream video telephony market has abandoned dedicated videophone offerings, the VRS industry will not be held hostage to one VRS provider locking in the market with dedicated and proprietary videophone units.

Eventually, market forces will prove to be too big, forcing even VRS providers to exit the dedicated videophone market. A transition period for the VRS industry is needed to eventually transition the entire market onto software-based offerings. The Commission is also urged to preserve the quality of experience for VRS consumers in enjoying software-based videophones such as visual signaling, camera controls (pan/zoom), and optimized video quality codecs.

Enhanced iTRS Database Operations

Generally speaking, I endorse this proposal. I don't know too much about this topic to go into specific details. Call routing alone will greatly benefit from enhanced functionality that the iTRS Database can possibly provide under this proposal. This is because an independent database vendor will settle upon a standardized infrastructure in connecting video calls and this critical function is not subject to the whims of competition and VRS industry participants.

The possible integration of vertical features such as address book and video mail with the 'enhanced' iTRS Database would help spur competition. Porting issues for VRS consumers represent a significant friction point in the VRS industry competition. If VRS consumers can freely switch among VRS providers and take their personal information with them, the VRS industry will be forced to deliver on high quality VRS interpreting services to maintain and/or expand their business.

Open Ratemaking Issues

I don't know too much about the financial dealings germane to the VRS industry. I want to stress that rates paid to VRS participants for VRS services should adequately compensate them, provide some profit, and more importantly, to establish a competitive VRS marketplace with multiple providers. If the rates are too low, then there could be a monopoly or a duopoly in the VRS market.

Too high, the VRS industry may be oversaturated with multiple providers of substandard and/or dubious quality. Lastly, the rates should not distort the prevailing wages for ASL interpreters, as we need them for community interpreting. The TRS Fund is a giant gatekeeper; it should act accordingly. Use this leverage to gain economies of scale in compensating video interpreters for their expertise.

The Commission is encouraged to ‘disaggregate’ the components that make up VRS services and to apply a mixture of compensation schemes designed to foster innovation and competition in all segments of the VRS industry. Creative approaches can be used in reimbursing VRS providers for various VRS services they provide to the public. i.e., a per-user reimbursement scheme for VRS access technology, and a per-minute reimbursement scheme for VRS interpreting services.

If the Commission adopts a per-user rate reimbursement scheme, the rate should be set according to cost-based (rate of return) regulation. They are usually fixed costs in which VRS providers can manage through efficiency and leveraging free market forces over a period of time. For example; in the past, VRS providers may have relied on a costly system of routers, computer servers, monthly bandwidth, etc. to manage their VRS business. Now, VRS providers may rely on cloud computing providers to replicate virtually all of their networking architecture for a fraction of the cost.

If a per-minute rate reimbursement scheme is adopted, it should be based on price-caps. This is because the costs are variable and highly sensitive to VRS traffic. It also relies on a huge component of the costs of running a VRS business; the CA interpreter, which is likely to remain stable or increase. Price-cap based compensation will factor in inflation and productivity gains and will increase over a period of time, ensuring that VRS providers are compensated adequately for this huge cost.

The Commission is encouraged to adopt a multi-year rate. No more ‘half-measures’ with interim yearly rates. The VRS consumer benefits from a healthy and competitive marketplace. This can only be accomplished by well-capitalized VRS industry participants and their multi-

year business plans. A multi-year compensation scheme allows the VRS industry to access mainstream capital markets they need to maintain their businesses.

Odds and Ends

I would like this opportunity to incorporate my comment² filed in #10-51 on June 21st, 2012. This comment was filed outside any official commenting period and comments specifically on waste, misuse, discrimination of high-volume users, and the need for a multi-regulatory approach.

I would like to lodge an objection in the public interest, regarding a recent and unusual practice of allowing VRS providers' counsel in accessing sensitive and proprietary information and/or data specific to the VRS/TRS industry. I find it troublesome, as it may inhibit the free flow of information between industry participants and the TRS Fund. VRS industry participants may choose to obfuscate, misrepresent, and/or conceal crucial data to the Commission, knowing that their competitor's counsels and other outside parties are also privy to such information contained in the TRS Fund.

I would appreciate it very much if the Commission could explain this unusual practice of opening up outside party scrutiny of the TRS Fund and its sensitive information. I am not asking that this sensitive information is opened up for public scrutiny. Otherwise, it risks delegitimizing their resulting rules and regulations that they may ultimately decide upon in reforming the VRS industry, as the process is not transparent.

Thank you for your time in reading this comment.

Sincerely,

Todd Elliott
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² <http://apps.fcc.gov/ecfs/document/view?id=7021950291>